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PROBABLE DEVELOPMENTS IN LAOS OVER THE NEXT FEW MONTHS

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 20 August 1957. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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THE PROBLEM

To estimate trends in Laos over the next few months.

CONCLUSIONS

1. Laos is the least developed country in Southeast Asia, and there is little contact between the leaders and the people most of whom live in primitive, self-sufficient villages. The inexperienced parliamentary government is rendered unstable and ineffective by regional interests, family rivalries, and personality conflicts within the small ruling elite. Lao political leaders are also deeply divided over the policy to be followed vis-a-vis the Communist Pathet Lao. Political instability has been further increased by Communist subversive activities in various parts of Laos, against which the internal security forces have achieved only spotty results.

2. These weaknesses are turned into a danger by the fact that the Royal Lao Government (RLG) has not been able to assert its authority over the two northern provinces of Sam Neua and Phong Saly, where forces of the insurgent Pathet Lao have been concentrated pursuant to the Geneva Agreements of 1954. There is widespread popular sentiment for ending the civil war and achieving national unity. The possibility of large scale military action is largely ruled out by the threat of military intervention by the Communist Democratic Republic of Vietnam (DRV). Accordingly, there is strong pressure on the RLG to negotiate a settlement with the Pathet Lao. In his efforts to achieve an early settlement Prime Minister Souvanna Phouma is supported by several highly placed French advisors. For its part, the Pathet Lao, which has access to DRV advisors, aid, and probably military support if necessary, is under no particular compulsion to reach a settlement.

3. In this situation the principal point of danger is that the RLG may accept a negotiated settlement which, although respectable in appearance, does not in fact have adequate safeguards to prevent the Pathet Lao from achieving a dominant and eventually controlling position in the government.

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4. We do not believe that a settlement will be reached within the next few months, because of the probability that the Pathet Lao will continue to stall in the hope of gaining further RLG concessions, and the opposition of some RLG leaders who would prefer the existing stalemate to an insufficiently guarded agreement. However, in the longer run, unless the governing elite can be convinced of the dangers implicit in Pathet Lao demands, pressures for integration probably will become so great that no government will be able to resist, and the RLG will accept a settlement without adequate safeguards.

DISCUSSION

PRESENT SITUATION

5. The political situation in Laos continues to be dangerously unstable. Western parliamentary forms have been imposed on a relatively primitive society and there is a wide gulf between the ruling elite and the villagers. The small ruling elite is divided by family groupings, by regional interests, and by the personal ambitions and bitter antagonisms of the leaders. Lao political leaders are also deeply divided over the policy to be followed vis-a-vis the Communist threat represented by the Pathet Lao. There is some coherence within particular political parties, but party discipline is rudimentary. In this situation, power is so fragmented among parties and factions that groupings within the National Assembly can usually be formed to block or stall any action in which a conflict of essential interests exists. The stability of the Lao cabinet is further complicated by a recently adopted constitutional provision which denies a vote on motions of confidence or censure to deputies in the National Assembly who hold cabinet positions.

6. That Laos has not disintegrated in the face of such ineffective government is, in part, the result of the apathy of the majority of its inhabitants, who live in primitive villages which are largely self-sufficient and who are little dependent on action by a central government. Among the relatively educated, a pride in national independence, the symbolic influence of the crown, and general membership in the Buddhist faith are cohesive factors of some importance. Even more significant factors which act to hold Laos together as a political entity are the receipt of American assistance, continued Western diplomatic support, and the continued presence of French advisors in the government and army.

7. Since 1954, the fundamental problem facing the Royal Government of Laos (RLG) has been how to cope with the threat posed by the Pathet Lao, a Communist insurgent group created and controlled by the Communist government of North Vietnam (DRV). Although the RLG's sovereignty throughout all Laos was recognized in the Geneva Agreements, these provided that until a political settlement was reached the military forces of the Pathet Lao would occupy "regroupment areas" in two northern provinces, Sam Neua and Phong Saly. The Lao government has been unable to reach an understanding with the Pathet Lao by negotiations or to gain control of these provinces by limited military and paramilitary operations. The use of sufficient military force to impose RLG rule has been forestalled by the presence of the International Control Commission and even more by the fear of DRV military intervention.

8. The Pathet Lao, which is estimated to have a hardcore membership of only a few hundred and a military force of about 6,300, controls most of Sam Neua province, except for a salient occupied by government forces, but not more than one-half of Phong Saly province. The Pathet Lao has succeeded in impressing recent visitors to its territory with the efficiency and progress of the Pathet Lao areas as compared to non-Communist Laos. There have been indications that morale in the Pathet Lao military forces has shown

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TABLE I

POLITICAL STRENGTHS IN THE LAO NATIONAL ASSEMBLY

Party	Approximate Strength in National Assembly	Principal Leaders	Source of Strength	Orientation
Nationalists	20	Katay Sasorith and Souvanna Phouma		
Katay faction (12)			Boun Oum family of southern Laos. Generally has support of Crown Prince Savang.	Anti-Pathet Lao and anti-Communist.
Souvanna faction (5)			Northern regional interest. Generally supported by Prince Phetsarath, who is senior of junior branch of Lao Royal family, and half brother both to Souvanna Phouma and to Pathet Lao leader Souphanouvong.	Concession to PL for purpose of achieving unification.
No firm alignment (3)				
Independents	10	Phoui Sananikone	Sananikone family of Vientiane province.	Moderate supporting Katay and opportunistic.
Democrats	3		Voravong family which controls Savannakhet province.	Involved in a feud with Phoui Sananikone family; slightly leftist.
Nation Union	3 (to 5)	Bong Souvannavong	Bong Souvannavong's espousal of rapid unification of Laos.	Strongly in favor of PL.
Unaffiliated	3			
Total deputies	39			

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some improvement, apparently as a result of increased quantities of supplies from the DRV and of the success of a few small military operations in Sam Neua. The Pathet Lao is assisted by about 400 DRV military advisors who also train cadres to be sent to other areas of Laos.

9. Pathet Lao subversive activities have achieved some measure of success outside Phong Saly and Sam Neua. The Communist apparatus appears to consist mainly of small mobile groups which are engaged in organization and information dissemination. While Pathet Lao operations have probably been limited by a shortage of trained cadres, the Communist cause has on the other hand been aided by the activities of Bong Souvannavong, leader of the National Union Party, who, although not known to be a Communist, has been supporting the Pathet Lao political objectives.

10. The 22,000-man army is the most effective of the RLG security forces. The RLG has also organized local partisan units with a total strength of about 9,000, which have operated with particular effectiveness in Phong Saly. The Lao police force is reasonably effective, despite its rapid expansion from under 500 in 1955 to nearly 3,000 in 1957. The government in 1956 also reorganized its counterintelligence agency, resulting in increased attention to intelligence and propaganda. These measures have somewhat restricted the extension of Pathet Lao subversive activities. However, despite improvement and their new programs, the Lao security forces are not capable of enforcing internal security in all parts of the country at the same time.

11. Efforts to resolve the impasse resulting from the Geneva Agreements have been marked by inconclusive political negotiations and intermittent military skirmishing. Souvanna Phouma, who became Prime Minister in the spring of 1956, pressed hard to find a formula which would end the division of the country. To this end, he met in August 1956 with his half-brother Souphanouvong, the leader of the Pathet Lao. They agreed to a ceasefire and to broad principles for a political settlement. In subsequent negotiations concerning the implementation of the agreement the Pathet Lao, almost certainly under guidance from Hanoi, has pressed for and has been largely successful in obtaining further concessions from the RLG.

12. By the end of December 1956, the Lao government, without receiving any significant concessions in return, had agreed in principle to integrate Pathet Lao troops into the Royal army, grant positions in the civil administration to Communist functionaries, accept the Pathet Lao as a legal political party, schedule supplementary elections for an enlarged National Assembly, include the Pathet Lao in a coalition government, adopt a neutral foreign policy, and accept aid from any country. However, Souvanna Phouma finally balked at a Pathet Lao demand that the Lao government, as a test of its sincerity and willingness to pursue a neutral foreign policy, accept at once Chinese Communist economic aid. The Pathet Lao has not subsequently repeated this demand.

13. Negotiations were suspended in mid-April 1957. Thereafter, although the National Assembly gave approval in principle to Souvanna's agreement on 29 May, it failed to pass an advisory resolution calling for continued negotiations in accordance with his stated policy. The unexpected vote resulted from a temporary combination comprising conservative deputies in the Independent Party and Souvanna's own Nationalist Party, and, for different reasons, Bong's National Union deputies. The Souvanna government resigned immediately.

14. A cabinet crisis persisted through the months of June and July, the Katay-Phoui coalition being unable to command quite enough strength to form a government. Finally, on 9 August, Souvanna Phouma by a vote of 26 to 8 obtained investiture for a skeleton six-man cabinet, which included only three deputies from the assembly. The new coalition cabinet of Nationalists and Independents includes both Phoui and Katay; its effectiveness will depend to a considerable extent upon their support. Despite Souvanna's promise in his investiture speech of

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an immediate effort to reach a settlement with the Pathet Lao, the cabinet has decided to proceed first with a revision of the constitution to reduce the influence of minority groups on the formation and tenure of cabinets. According to present plans, the requirement of a two-thirds majority for investiture will be reduced to a simple majority while voting restrictions on deputies who hold cabinet positions will be retained. It is probable that acceptance of the revision will be followed by a reconstitution of the government, either by increasing the present cabinet to normal size or forming a new one, and that the change will probably strengthen the position of Phoui and Katay.

POSSIBLE LINES OF DEVELOPMENT

15. The remainder of 1957 is likely to be a period of continued uncertainty and political instability in Laos, with the Pathet Lao problem causing periods of tension and alternating lulls. In this situation there are three possible lines of development: (a) military action on a large scale, (b) a negotiated settlement, and (c) the continuation of a stalemate and a divided Laos.

16. The possibility of an outbreak of large scale hostilities between the RLG and the Pathet Lao forces cannot be excluded. Military skirmishing will almost certainly occur from time to time in areas where the two forces are in contact and could lead to an expansion of hostilities. However, large scale military action probably would occur only if: (a) the DRV estimates that the West would not intervene and thereafter gives large scale logistical and possibly troop support to the Pathet Lao, or (b) if the RLG estimates that the DRV would not intervene in the event of a large scale RLG attack against the Pathet Lao. Although the leaders of the Royal army have thus far remained outside politics, they might, as a result of their impatience with inaction or fear of the extent of concessions to the Pathet Lao, seize control of the government and subsequently launch a major attack against the Pathet Lao. The most probable leader of such a coup would be Colonel Ouane Rathikhoune,[1] Chief of Staff of the Royal army who on several occasions has boasted to US representatives that he could quickly resolve the problem of a divided country by rapid decisive military action.

17. Nevertheless, we believe that during the period of this estimate neither side will seek to gain complete control over Laos by military means. The major factor restraining the Pathet Lao will continue to be the superiority of the Royal army. The Communists will probably continue to be reluctant to commit DRV troops in the strength required to defeat the Lao government, because of the fear of counterintervention by the West and because of the adverse effect such action would have on the general Communist line of "peaceful competition." For its part, the Lao government will probably not attempt a military resolution of the impasse because of the threat of DRV intervention.[2]

Negotiated Settlement

18. With the possibility of large scale hostilities largely eliminated by the bilateral threat of foreign involvement, we believe that both sides will be willing to resume negotiations. Despite the present agreement on broad principles, many crucial points remain unresolved, namely, the cabinet seats to be given to the Pathet Lao, the timing of supplementary elections, the manner in which the Royal government is to assume control in the two northern provinces, the integration of Pathet Lao personnel into the civil service and the military forces, and the specifics of a Lao neutral foreign policy.

19. There are strong pressures on the RLG to conclude a settlement. The desire for na-

[1] Colonel Ouane is a staunch nationalist and an intelligent, forceful leader. He fought against the Japanese in 1945, organized an anti-French guerrilla force from 1945 to 1949, and subsequently was integrated into the Royal army.

[2] We have estimated in NIE 63.2–57 that the DRV army, numbering some 268,000, given external logistical support, has the capability of defeating the total military forces of Laos, South Vietnam, and Cambodia simultaneously.

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tional union has achieved an almost mystical quality among the Lao leaders and populace, and provides the strongest Pathet Lao lever for obtaining concessions. This is reinforced by the view of many Lao leaders that the Pathet Lao comprises misguided nationalists who can be oriented away from Communist influence once Laos has been unified. Many leaders and their French advisors believe that with unification contacts between Pathet Lao members in the two northern provinces and their DRV supporters can be reduced. India, through the International Control Commission, and the Communist Bloc, through offers of friendship that the Lao have not dared to refuse, have also exerted great pressure for a settlement. The French have encouraged a settlement, particularly through their unreserved support for Souvanna personally. This French attitude has contributed to the deterioration of US-UK-French unity on Lao issues, since the United States and the United Kingdom have supported the strongly anti-Communist position, as represented by Katay and his supporters. Finally, Souvanna Phouma has publicly set the date of 1 October for the implementation of previous agreements with the Pathet Lao and this may engender additional pressures on the Lao government.

20. The Pathet Lao is under much less pressure to reach a settlement. It has effective control of the two northern provinces and ready access to DRV assistance if this control is seriously threatened. It is well aware of the popular sentiment for ending the civil war and unifying Laos. It has a subversive apparatus in Royal Lao territory and also benefits from support of its position by Bong's National Union Party. The chief likelihood of Pathet Lao concessions in the near future would spring from a Communist estimate that the Pathet Lao could make a better deal with Souvanna Phouma than with any probable successor, and that the advantages to the Communist cause of another "legal" Communist movement and another neutralized country would outweigh the danger that the Pathet Lao would be effectively submerged in an integrated government.

Continued Stalemate Over the Next Few Months

21. In pursuing a negotiated settlement, each party will seek to spell out the present broad principles of agreement in a manner that will give it an advantage over its opponent. In this situation, there are various factors which tend to prolong the stalemate over the next few months.

22. The RLG negotiators will be influenced by a recognition that Laos is dependent on US economic and military assistance and by a desire to safeguard the government's position against bad faith on the part of the Pathet Lao. To the extent which Katay and Phoui continue to cooperate and are able to control the actions of the cabinet, the Royal government probably will, at least initially, press for a settlement which provides: (a) that agreement on a coalition government be contingent upon prior restoration of effective government administration in the northern provinces; (b) that the number of Pathet Lao military personnel to be integrated into the Royal army be so limited that army loyalty to the crown will not be jeopardized; and (c) that positive assurances of Communist compliance be secured. The insistence on these safeguards will vary considerably with the fluctuating power of key political leaders, and will range between Katay's "hard line" and Souvanna Phouma's apparent willingness to make whatever concessions may be necessary to reach agreement. It is also possible that in the present unstable political situation, opposition parties or factions may exercise a greater influence upon settlement terms than warranted by their numerical strength.

23. Once negotiations are resumed the Pathet Lao is likely to follow its previous strategy of waiting and searching for new areas in which the RLG might make further concessions. The leaders may believe that they do not have to accept the risks involved in a coalition government, that time is on their side, and that either the RLG will disintegrate to a point at which it cannot resist Pathet Lao demands, or the Pathet Lao will be able

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to develop sufficient covert strength outside its two provinces to seize control of the government.

24. On balance, we believe it unlikely that a settlement will be reached during the next six months. Given the incompatible objectives of the two sides, no settlement is probable unless one side misjudges the implications of the agreement. In view of the pressures on the RLG and the lack of understanding of international Communism in Laos, this constitutes a particular danger to the West, especially if Souvanna Phouma is able to gain support for his policies. However, it is unlikely that adequate safeguards can be worked out which are satisfactory both to the Pathet Lao and to the Katay and Phoui Sananikone groups on whom Souvanna at present depends for his tenure in office. Furthermore, we do not believe the Pathet Lao will be inclined to make major concessions until it feels it has adequately tested the Royal government's ability to withhold additional concessions.

25. Although we have concluded that Laos will remain divided for the period of this estimate, pressures for unification will continue to grow. Unless the governing elite can be convinced of the dangers implicit in Pathet Lao demands, pressures for integration in time probably will become so great that no government will be able to resist, and the RLG will reach a settlement which, although respectable in appearance, in fact will not have adequate safeguards to insure Pathet Lao compliance.

26. In the fluid political situation existing in Laos, there are a number of possible contingent developments which could affect the conclusions reached above. Although we do not consider any of these developments to be probable in the next few months, a serious deterioration of the political situation, such as another prolonged cabinet crisis, might result in increasing political intervention by Crown Prince Savang, including an extra-parliamentary form of government. Other contingencies include the re-emergence of Prince Phetsarath as a dominant figure, and an internal crisis over the succession to the throne in the event of the death of ailing King Sisavong Vong.

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